Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of:	)	
	)	MB Docket 02-230
Digital Broadcast Content Protection	)	
	)	
	)	

Comments on Behalf of Matsushita Electric Corporation of America
In Response To Further Notice Of Proposed Rulemaking

These comments are submitted on behalf of our client, Matsushita Electric Corporation of America ("MECA"), in response to the Federal Communication Commission ("FCC" or "Commission") Further Notice of Proposed Rulemaking in the above-captioned proceeding ("Plug and Play proceeding"). MECA is the principal North American subsidiary of Matsushita Electric Industrial Co., Ltd., based in Osaka, Japan.

MECA and its subsidiaries and affiliates (hereinafter "Panasonic") manufacture and distribute a wide range of consumer electronics, information technology, and other electronics products. These include digital televisions, recorders, set-top boxes, networking, and other devices which would be affected by decisions in this proceeding. Panasonic employs approximately 22,000 persons in over 90 business locations in North America, including eleven manufacturing facilities.

We submit these comments to provide the Commission with the perspective of a corporation that has actively participated in both individual company-to-company and broad industry-to-industry negotiations relating to the issues in this proceeding. And Panasonic is now offering in the marketplace multiple products implementing technical standards and related protection technology that were included in the Commission's recent "Plug and Play" proceeding (which is the subject of a separate proceeding in which Panasonic is also filing comments, CS Docket No. 97-80 and PP Docket No. 00-67.

With respect to the specific issues raised by the Commission in the Report and Order, we are pleased to submit the following comments:

1. Encryption of retransmitted broadcast signals (Report and Order paragraph 59). We are concerned about likely consumer confusion from, and possible unintended side effects of, permitting cable operators to encrypt retransmitted programming that originates as free, over-the-air broadcast television. For example, if encryption were to be used as an "automatic" indicator of protection against serial copying (i.e., if encrypted

content were presumed to be "Copy One Generation"), then one of the central consumer protections of the Commission's action here would be eliminated through the "back door" of encryption related license-based restrictions. Similarly, if all broadcast content were encrypted, and if encryption were taken to mean that protection against indiscriminate redistribution is automatically invoked, then a similarly fundamental consumer protection would be eliminated, that is, that only broadcast content containing the "flag" indicator is to be protected against indiscriminate redistribution.

Therefore, while we understand cable operators' concern about the broadcast flag detection obligation in cable-related products, we believe it best that free, broad-originated programming not be encrypted when retransmitted by cable operators. Further, we believe that no action should be permitted which would "cut off" consumers from, or debase the value of the equipment they have already purchased for access to the digital and high-definition television broadcasting. These consumers have done exactly what their Federal Government has urged them to do: Buy into the digital TV transmission promptly and give free, over-the-air broadcasting a chance to succeed in the all-digital transmission world of television ahead.

2. Open source demodulators (paragraph 60). Panasonic believes all demodulators can and should be subject to the same basic requirements. This will help ensure that there is uniform and timely implementation of the detection obligation, and there will be no confusion about implementation of such obligation. "Open source" demodulator implementations do, and can continue to, exist, since any obligation to protect the content is not effective until after the demodulation function; and even then, there will be a variety of means available to protect the content after demodulation which will have no impact on the functioning of the demodulator itself.

3. **Unified regime for protection technologies** (paragraph 61). As a manufacturer of products that will be used by consumers in multiple environments, Panasonic supports the concept of a unified regime in implementing protections called for in this proceeding and in the "Plug and Play" proceeding. This would permit individual manufacturers to make consistent and appropriate technology choices in their products and, thereby, ease the ability to inform and help educate consumers in the operation of their equipment in a clear and in a uniform manner. Nevertheless, inasmuch as the market already does and will continue to employ a variety of protection technologies, the Commission should not implement a "unified regime" concept if it would have the effect of inhibiting existing deployed technologies, limiting further technology development overall, or specifying technology choices by manufacturers. Therefore, we suggest the Commission implement a "unified regime" where it finds that the stated purposes and goals of the two proceedings are consistent, and where such regime can clearly assist in avoiding or substantially reducing potential consumer confusion.

4. Criteria to be used to determine protection technologies (paragraph 62). As Panasonic is a founding member of and active participant in the Digital Transmission

License Administrator, LLC ("DTLA"), please refer to the submission of DTLA on this point for our views.[1]

5. Limits on redistribution control (paragraph 63). Panasonic joins with others in supporting the proposition that neither this regulatory regime nor other laws or regulations should be used to unduly limit legitimate – and expected – private consumer behavior with respect to audio visual content. Technologies that enable fair uses, while protecting against indiscriminate redistribution of content, should not only be permitted, they should be encouraged to be developed. In that vein, we question whether a single "personal digital network environment" ("PDNE") can be defined and whether, correspondingly, the effort to seek to define such a PDNE is a worthwhile exercise. It is quite likely that a definition of PDNE to fit one circumstance would be a wholly inappropriate definition for other purposes. Moreover, a single definition could have the unfortunate side effect of disallowing technologies in one context that would permit fair uses in other situations.

6. Entity to make determinations regarding protection technologies (paragraph 64). As participants in and members of other commenting parties, Panasonic refers the Commission to the submissions of the Consumer Electronics Association ("CEA"), the Home Recording Rights Coalition ("HRRC")[2] and DTLA for our views on this point.

7. Revocation of technologies and/or products (paragraph 65). We believe that it is critical to distinguish between the "removal of technologies" from the list of approved technologies, and the "revocation" of individual products' authorization with respect to a particular content protection technology, where such products are already manufactured, especially if they have been sold and are already owned by consumers. In both cases, the action to be taken is a very significant one, and great care should be taken to assure that the obvious and inevitable disruptions are caused only if absolutely necessary.

In the case of removal of a technology from a list of approved technologies, we believe that the same type of system as used to place technologies on the list should be used to remove it; but, the following additional criteria should be included as well -- (a) likely harm to content protection and content owners if the technology remains on the list, and (b) likely harm to manufacturers, retailers, and consumers if a given technology is removed from the list.

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[1] In addition to referring the Commission to the DTLA submission on this particular point, please note that Panasonic generally endorses the comments made by DTLA in this proceeding.

[2] As with the DTLA comments cited above, please note that Panasonic generally endorses the comments made by CEA and HRRC in this proceeding.

In the case of revocation of individual products, the only justification for such an action would be if the cryptographic "key" or authorization "certificate" is found to have been cloned and is being used improperly in multiple products.

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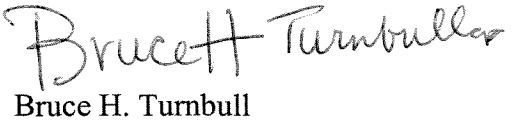
We appreciate the opportunity provided by the Commission to participate in this important proceeding.

Respectfully submitted,



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